

and Delinquency Prevention, vice Robert H. Maxwell, of Mississippi.

The message also announced that pursuant to Public Law 105-83, the Chair, on behalf of the Democratic Leader, announces the appointment of the Senator from Illinois (Mr. DURBIN) as a member of the National Council on the Arts.

The message also announced that pursuant to Public Law 105-244, the Chair, on behalf of the Majority Leader announces the appointment of the following individuals to serve as members of the Web-Based Education Commission: Patti S. Abraham, of Mississippi; and George Bailey, of Montana.

The message also announced that pursuant to sections 276d-276g of title 22, United States Code, as amended, the Chair, on behalf of the Vice President, appoints the Senator from Alaska (Mr. MURKOWSKI) as Chairman of the Senate Delegation to the Canada-United States Interparliamentary Group during the First Session of the One Hundred Sixth Congress.

The message also announced that pursuant to Public Law 105-277, the Chair, on behalf of the Majority Leader, announces the appointment of the following individuals to serve as members of the International Financial Institution Advisory Commission: Charles W. Calomiris, of New York; and Edwin J. Feulner, Jr., of Virginia.

The message also announced that pursuant to Public Law 105-255, the Chair, on behalf of the Majority Leader, announces the appointment of the following individuals to serve as members of the Commission on the Advancement of Women and Minorities in Science, Engineering and Technology Development: Judy L. Johnson, of Mississippi; and Elaine M. Mendoza, of Texas.

The message also announced that pursuant to Public Law 104-293, as amended by Public Law 105-277, the Chair, on behalf of the Majority Leader, announces the appointment of the following individuals to serve as members of the Commission to Assess the Organization of the Federal Government to Combat the Proliferation of Weapons of Mass Destruction: M.D.B. Carlisle, of Washington, D.C.; and Henry D. Sokolski, of Virginia.

#### NORTH KOREA'S LAUNCH OF TAEPO DONG MISSILE A WAKE-UP CALL

(Mr. GIBBONS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GIBBONS. Mr. Speaker, last year I and many of my colleagues expressed our concerns over the growing missile threat to the United States.

Chief among those concerns was the administration's lack of resolve to deploy a National Missile Defense system.

Surprisingly, though, the North Korean launch of a Taepo Dong missile in August of last year was a wake-up call for this administration and for America as well, because portions of this missile landed off the coast of Alaska.

Mr. Speaker, the threat is here and it must be countered. I applaud the dedication of \$6.6 billion in the administration's budget and the commitment to deploy viable National Missile Defense.

I am proud to be a part of this effort and, based on my own experience in the Gulf War with these terror weapons, I will fight to ensure that no American citizen will ever be confronted with a Taepo Dong missile or any other terror missile.

Mr. Speaker, with all the uncertainties in our world, for our children, for our grandchildren, we must strengthen our national security and protect our precious country.

I encourage all Members to help protect America. Let us pass H.R. 4, because a national missile defense is something we cannot live without.

#### IT IS TIME FOR AN ACROSS THE BOARD INCOME TAX CUT

(Mr. KNOLLENBERG asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KNOLLENBERG. Mr. Speaker, on January 6, I introduced a bill to cut Federal income taxes by 10 percent across the board.

Taxes are at an all time high. When State and local taxes are added to the Federal tax bite, the average American family ends up paying more in taxes than it spends on housing, food and clothing combined.

I believe that is outrageous. With the Federal Government expected to run a surplus of \$4.4 trillion over the next 15 years, there is no excuse for taxing the American people at a higher level than what was needed to win World War II.

Mr. Speaker, it is time to cut taxes for every American. A 10 percent across the board tax cut is the fairest and simplest way to provide the American people with the tax relief that they deserve. Instead of picking winners and losers, this proposal benefits every American who earns a paycheck.

I urge my colleagues on both sides of the aisle to support this common sense tax relief plan.

#### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore (Mr. NETHERCUTT) laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,  
HOUSE OF REPRESENTATIVES,  
Washington DC, February 4, 1999.

Hon. J. DENNIS HASTERT,  
The Speaker, House of Representatives,  
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on February 4, 1999 at 12:30 p.m. and said to contain a message from the President whereby he submits the Economic Report of the President.

With best wishes, I am

Sincerely,

JEFF TRANDAHLL.

#### ECONOMIC REPORT OF THE PRESIDENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106-2)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Joint Economic Committee and ordered to be printed:

#### To the Congress of the United States:

I am pleased to report that the American economy today is healthy and strong. Our Nation is enjoying the longest peacetime economic expansion in its history, with almost 18 million new jobs since 1993, wages rising at twice the rate of inflation, the highest home ownership ever, the smallest welfare rolls in 30 years, and unemployment and inflation at their lowest levels in three decades.

This expansion, unlike recent previous ones, is both wide and deep. All income groups, from the richest to the poorest, have seen their incomes rise since 1993. The typical family income is up more than \$3,500, adjusted for inflation. African-American and Hispanic households, who were left behind during the last expansion, have also seen substantial increases in income.

Our Nation's budget is balanced, for the first time in a generation, and we are entering the second year of an era of surpluses: our projections show that we will close out the 1999 fiscal year with a surplus of \$79 billion, the largest in the history of the United States. We are on course for budget surpluses for many years to come.

These economic successes are not accidental. They are the result of an economic strategy that we have pursued since 1993. It is a strategy that rests on three pillars: fiscal discipline, investments in education and technology, and expanding exports to the growing world market. Continuing with this proven strategy is the best way to maintain our prosperity and meet the challenges of the 21st century.

#### THE ADMINISTRATION'S ECONOMIC AGENDA

Our new economic strategy was rooted first and foremost in fiscal discipline. We made hard fiscal choices in

1993, sending signals to the market that we were serious about dealing with the budget deficits we had inherited. The market responded by lowering long-term interest rates. Lower interest rates in turn helped more people buy homes and borrow for college, helped more entrepreneurs to start businesses, and helped more existing businesses to invest in new technology and equipment. America's economic success has been fueled by the biggest boom in private sector investment in decades—more than \$1 trillion in capital was freed for private sector investment. In past expansions, government bought more and spent more to drive the economy. During this expansion, government spending as a share of the economy has fallen.

The second part of our strategy has been to invest in our people. A global economy driven by information and fast-paced technological change creates ever greater demand for skilled workers. That is why, even as we balanced the budget, we substantially increased our annual investment in education and training. We have opened the doors of college to all Americans, with tax credits and more affordable student loans, with more work-study grants and more Pell grants, with education IRAs and the new HOPE Scholarship tax credit that more than 5 million Americans will receive this year. Even as we closed the budget gap, we have expanded the earned income tax credit for almost 20 million low-income working families, giving them hope and helping lift them out of poverty. Even as we cut government spending, we have raised investments in a welfare-to-work jobs initiative and invested \$24 billion in our children's health initiative.

Third, to build the American economy, we have focused on opening foreign markets and expanding exports to our trading partners around the world. Until recently, fully one-third of the strong economic growth America has enjoyed in the 1990s has come from exports. That trade has been aided by 270 trade agreements we have signed in the past 6 years.

#### ADDRESSING OUR NATION'S ECONOMIC CHALLENGES

We have created a strong, healthy, and truly global economy—an economy that is a leader for growth in the world. But common sense, experience, and the example of our competitors abroad show us that we cannot afford to be complacent. Now, at this moment of great plenty, is precisely the time to face the challenges of the next century.

We must maintain our fiscal discipline by saving Social Security for the 21st century—thereby laying the foundations for future economic growth.

By 2030, the number of elderly Americans will double. This is a seismic demographic shift with great con-

sequences for our Nation. We must keep Social Security a rock-solid guarantee. That is why I proposed in my State of the Union address that we invest the surplus to save Social Security. I proposed that we commit 62 percent of the budget surplus for the next 15 years to Social Security. I also proposed investing a small portion in the private sector. This will allow the trust fund to earn a higher return and keep Social Security sound until 2055.

But we must aim higher. We should put Social Security on a sound footing for the next 75 years. We should reduce poverty among elderly women, who are nearly twice as likely to be poor as other seniors. And we should eliminate the limits on what seniors on Social Security can earn. These changes will require difficult but fully achievable choices over and above the dedication of the surplus.

Once we have saved Social Security, we must fulfill our obligation to save and improve Medicare and invest in long-term health care. That is why I have called for broader, bipartisan reforms that keep Medicare secure until 2020 through additional savings and modernizing the program with market-oriented purchasing tools, while also providing a long-overdue prescription drug benefit.

By saving the money we will need to save Social Security and Medicare, over the next 15 years we will achieve the lowest ratio of publicly held debt to gross domestic product since 1917. This debt reduction will help keep future interest rates low or drive them even lower, fueling economic growth well into the 21st century.

To spur future growth, we must also encourage private retirement saving. In my State of the Union address I proposed that we use about 12 percent of the surplus to establish new Universal Savings Accounts—USA accounts. These will ensure that all Americans have the means to save. Americans could receive a flat tax credit to contribute to their USA accounts and additional tax credits to match a portion of their savings—with more help for lower income Americans. This is the right way to provide tax relief to the American people.

Education is also key to our Nation's future prosperity. That is why I proposed in my State of the Union address a plan to create 21st-century schools through greater investment and more accountability. Under my plan, States and school districts that accept Federal resources will be required to end social promotion, turn around or close failing schools, support high-quality teachers, and promote innovation, competition, and discipline. My plan also proposes increasing Federal investments to help States and school districts take responsibility for failing schools, to recruit and train new teachers, to expand after school and summer

school programs, and to build or fix 5,000 schools.

At this time of continued turmoil in the international economy, we must do more to help create stability and open markets around the world. We must press forward with open trade. It would be a terrible mistake, at this time of economic fragility in so many regions, for the United States to build new walls of protectionism that could set off a chain reaction around the world, imperiling the growth upon which we depend. At the same time, we must do more to make sure that working people are lifted up by trade. We must do more to ensure that spirited economic competition among nations never becomes a race to the bottom in the area of environmental protections or labor standards.

Strengthening the foundations of trade means strengthening the architecture of international finance. The United States must continue to lead in stabilizing the world financial system. When nations around the world descend into economic disruption, consigning populations to poverty, it hurts them and it hurts us. These nations are our trading partners; they buy our products and can ship low-cost products to American consumers.

The U.S. proposal for containing financial contagion has been taken up around the world: interest rates are being cut here and abroad, America is meeting its obligations to the International Monetary Fund, and a new facility has been created at the World Bank to strengthen the social safety net in Asia. And agreement has been reached to establish a new precautionary line of credit, so nations with strong economic policies can quickly get the help they need before financial problems mushroom from concerns to crises.

We must do more to renew our cities and distressed rural areas. My Administration has pursued a new strategy, based on empowerment and investment, and we have seen its success. With the critical assistance of Empowerment Zones, unemployment rates in cities across the country have dropped dramatically. But we have more work to do to bring the spark of private enterprise to neighborhoods that have too long been without hope. That is why my budget includes an innovative "New Markets" initiative to spur \$15 billion in new private sector capital investment in businesses in underserved areas through a package of tax credits and guarantees.

#### GOING FORWARD TOGETHER IN THE 21ST CENTURY

Now, on the verge of another American Century, our economy is at the pinnacle of power and success, but challenges remain. Technology and trade and the spread of information have transformed our economy, offering great opportunities but also posing

great challenges. All Americans must be equipped with the skills to succeed and prosper in the new economy. America must have the courage to move forward and renew its ideas and institutions to meet new challenges. There are no limits to the world we can create, together, in the century to come.

WILLIAM J. CLINTON.

THE WHITE HOUSE, February 4, 1999.

#### COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,  
U.S. HOUSE OF REPRESENTATIVES,  
Washington, DC, February 8, 1999.

Hon. J. DENNIS HASTERT,  
*The Speaker, U.S. House of Representatives,*  
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5 of Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit a sealed envelope received from the White House on February 5, 1999 at 3:50 p.m. and said to contain a message from the President whereby he submits a report on ongoing efforts to achieve sustainable peace in Bosnia and Herzegovina.

With best wishes, I am

Sincerely,

JEFF TRANDAH.

#### REPORT ON EFFORTS TO ACHIEVE SUSTAINABLE PEACE IN BOSNIA AND HERZEGOVINA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 106- 17)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on International Relations and ordered to be printed:

*To the Congress of the United States:*

Pursuant to section 7 of Public Law 105-174, I am providing this report to inform the Congress of ongoing efforts to achieve sustainable peace in Bosnia and Herzegovina (BiH). This is the first semiannual report that evaluates progress in BiH against the ten benchmarks ("aims") outlined in my certification to the Congress of March 3, 1998. NATO adopted these benchmarks on May 28, 1998, as part of its approval of the Stabilization Force (SFOR) military operations plan (OPLAN 10407). The Steering Board of the Peace Implementation Council (PIC) subsequently adopted corresponding benchmarks in its Luxembourg Declaration of June 9, 1998.

NATO, the Office of the High Representative (OHR) and my Administration have coordinated closely in evaluating progress on Dayton implementation based on these benchmarks. There

is general agreement that there has been considerable progress in the past year. The basic institutions of the state, both political and economic, have been established. Key laws regarding foreign investment, privatization, and property are now in place. Freedom of movement across the country has substantially improved. Fundamental reform of the media is underway. Elections have demonstrated a continuing trend towards growing pluralism. Nevertheless, there is still much to be done, in particular on interethnic tolerance and reconciliation, the development of effective common institutions with powers clearly delineated from those of the Entities, and an open and pluralistic political life. The growth of organized crime also represents a serious threat.

With specific reference to SFOR, the Secretaries of State and Defense, in meetings in December 1998 with their NATO counterparts, agreed that SFOR continues to play an essential role in the maintenance of peace and stability and the provision of a secure environment in BiH, thus contributing significantly to progress in rebuilding BiH as a single, democratic, and multiethnic state. At the same time, NATO agreed that we do not intend to maintain SFOR's presence at current levels indefinitely, and in fact agreed on initial reductions, which I will describe later in this report. Below is a benchmark-by-benchmark evaluation of the state-of-play in BiH based on analysis of input from multiple sources.

1. *Military Stability.* Aim: Maintain Dayton cease-fire. Considerable progress has been made toward military stabilization in BiH. Entity Armed Forces (EAFs) are in compliance with Dayton, and there have been no incidents affecting the cease-fire. EAFs remain substantially divided along ethnic lines. Integration of the Federation Army does not reach down to corps-level units and below. However, progress has been made through the Train and Equip Program to integrate the Ministry of Defense and to provide the Federation with a credible deterrent capability. Although it is unlikely to meet its target of full integration by August 1999, the Federation Ministry of Defense has begun staff planning for integration. The Bosnian Serb Army (VRS) continues its relationship with the Federal Republic of Yugoslavia (FRY) Army. Similarly, the Bosnian Croat element of the Federation Army maintains ties with Croatia. In both cases, however, limited resources impinge on what either Croatia or the FRY can provide financially or materially; the overall trend in support is downward. In some areas, the VRS continues to have certain qualitative and quantitative advantages over the Federation Army, but the Train and Equip Program has helped narrow the gap in some key areas. The arms con-

trol regimes established under Articles II (confidence and security-building measures) and IV (arms reduction and limitations) of Annex 1-B of the Dayton Peace Accords are functioning. In October 1997, BiH and the other parties were recognized as being in compliance with the limitations on five major types of armaments (battle tanks, armored combat vehicles, artillery, combat aircraft, and attack helicopters) set forth in the Article IV agreement, which were derived from the Annex 1B 5:2:2 ratios for the FRY, Republic of Croatia, and BiH respectively. The parties have since maintained armament levels consistent with the limitations and are expected to do so in the future. A draft mandate for an Article V agreement (regional stability) has been approved; negotiations are due to begin in early 1999. Military stability remains dependent on SFOR as a deterrent force.

2. *Public Security and Law Enforcement.* Aim: A restructured and democratic police force in both entities. There has been considerable progress to date on police reform due to sustained joint efforts of the International Police Task Force (IPTF), Office of the High Representative (OHR), and SFOR, which have overcome a number of significant political obstacles. So far, approximately 85 percent of the police in the Federation have received IPTF-approved training, as have approximately 35 percent of the police in the Republika Srpska (RS). All sides continue to lag in the hiring of minority officers and, as the IPTF implements its plans to address this problem, tensions will increase in the short-term. SFOR often must support the IPTF in the face of crime, public disorder, and rogue police. Monoethnic police forces have often failed to facilitate minority returns. In these types of scenarios, SFOR's use of the Multinational Specialized Unit (MSU) has been a force multiplier, requiring fewer, but specially trained troops. At this point, SFOR's essential contribution to maintaining a secure environment, to include backing up IPTF in support of nascent civilian police forces, remains critical to continued progress.

3. *Judicial Reform.* Aim: An effective judicial reform program. Several key steps forward were taken in 1998, such as the signing of an MOU on Inter-Entity Legal Assistance on May 20, 1998, and establishment of an Inter-Entity Legal Commission on June 4, 1998. The Federation Parliament in July adopted a new criminal code. Nevertheless, the judicial system still requires significant reform. Judges are still influenced by politics, and the system is financially strapped and remains ethnically biased. Execution of judgments, in particular eviction of persons who illegally occupy dwellings, is especially problematic. The progress made in the area of commercial law is encouraging for economic development prospects.